

# Allisya Rupiah Balanced Fund

## March 2016

BLOOMBERG: AZSRPBL:IJ



### INVESTMENT OBJECTIVE

The objective of this fund is to achieve conservative long term capital growth while earning relatively stable income.

### INVESTMENT STRATEGY

To achieve the investment objectives, this fund shall be invested with a target of 7.5% in short term sharia instruments (such as deposits of sharia, sharia SBI, sharia SPN, and / or money market mutual funds), 40% in medium or long term sharia instruments (such as sharia bonds, sharia corporate bonds and / or sharia fixed income mutual funds), and 52.5% in the sharia based equity instruments in accordance to OJK's decision (either directly through sharia stocks or through sharia equity mutual funds).

### PERFORMANCE INDICATOR

#### Return Performance

Last 1-year Period	<b>-2.22%</b>
Best Month	<b>10.95%</b> Jul-09
Worst Month	<b>-14.39%</b> Oct-08

#### Portfolio Breakdown

Equity
Treasury Bonds
Govt. Related Bond
Mutual Funds - Bonds
Sharia Cash/Deposit

#### Top Five Bonds Holding

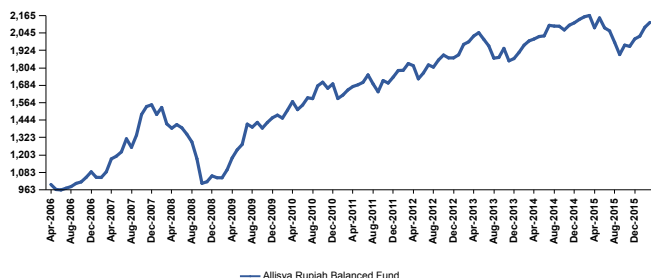
<b>52.77%</b> INDOIS 8 7/8 11/15/31
<b>15.82%</b> PBS001 4.45% 15/2/18
<b>0.58%</b> INDOIS 8 3/4 08/15/23
<b>2.92%</b> PBS002 5.45% 15/1/22
<b>27.91%</b> PBS004 6.1% 15/2/37

#### Top Five Stocks Holding

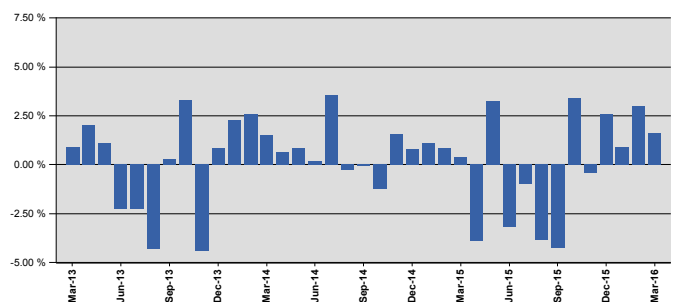
<b>6.30%</b> Telekomunikasi Indonesia	<b>9.94%</b>
<b>3.60%</b> Unilever Indonesia	<b>9.50%</b>
<b>3.09%</b> Astra International	<b>8.20%</b>
<b>1.39%</b> Indofood CBP Sukses Makmur	<b>2.31%</b>
<b>0.74%</b> Indofood Sukses Makmur	<b>2.10%</b>

	1 Month	3 Months	6 Months	1 Year	3 Years	YTD	Since Inception
Allisya Rupiah Balanced Fund	<b>1.61%</b>	<b>5.67%</b>	<b>11.67%</b>	<b>-2.22%</b>	<b>6.72%</b>	<b>5.67%</b>	<b>111.68%</b>

Unit Price Curve of Allisya Rupiah Balanced Fund (Since Inception)



Monthly Performance of Allisya Rupiah Balanced Fund



### KEY FUND FACTS

<b>Fund Size (in bn IDR)</b>	: IDR 504.37
<b>Risk Profile</b>	: Moderate
<b>Launch Date</b>	: 25 Apr 2006
<b>Fund Currency</b>	: Indonesian Rupiah
<b>Managed by</b>	: PT Asuransi Allianz Life Indonesia

<b>Pricing Frequency</b>	: Daily
<b>Price per Unit (As of Mar 31, 2016)</b>	<b>Bid</b> : IDR 2,010.91 <b>Offer</b> : IDR 2,116.75
<b>Bid-Offer Spread</b>	: 5.00%
<b>Management Fee</b>	: 2.00% p.a.

### MANAGER COMMENTARY

Central Bureau Statistics of Indonesia (BPS) announced March's inflation at 0.19% mom (vs consensus 0.25%, -0.09% in Feb 2016) mostly were caused by higher food ingredients, processed food, beverages, cigarettes and tobacco prices. On yearly basis, inflation printed at 4.45% YoY (vs consensus 4.5%, 4.42% in Feb 2016). Core inflation printed at +3.50% YoY, slightly lower from previous month (vs consensus 3.57%, +3.59% in Feb 2016). In the Board of Governors' Meeting on Mar 17th, 2016, Bank Indonesia cut its reference rate by 25bps to 6.75%, Lending Facility to 7.25% as well as facility rate (FASBI) to 4.75%. Indonesia Deposit Insurance Corporation (LPS) lower the guarantee rate by 25bps to 7.25% for Rupiah and 1.00% for other currencies and effective on 15 January 2016 to 14 May 2016 on the back of macro economy indicators and banks liquidity in general seems continues to improving. Rupiah appreciated against USD by +0.89% at end of February compared to previous month 13,395. Trade balance was surplus +1.14bn USD (non-oil and gas surplus +1.14bn USD) in Feb 2016. Export decreased by -7.18% YoY mostly driven from export in mineral gas, while imports decreased by -11.71% YoY. X Reserves increased +2.999bn USD from 104.544bn USD in Feb 2016 to 107.543bn USD in Mar 2016 on the back of offshore inflow to the bond market.

IDR government bond yields closed lower all across the curve in Mar 2016 on the back offshore inflows. Positive sentiment came from better than consensus Feb trade surplus data, dovish Fed statement and BI decision to cut reference rate by 25bps. ECB stimulus decision to cut its main interest rate and bank deposit rate gave positive sentiment to the market and triggered further buying action. Some profit taking action occurred oftenly but still failed to block the strong rally movement. After a cumulative 75bps cut in interest rate instruments and 150bps cut in reserve requirement ratio since January, the central bank reported limited policy transmission. Average deposit rates decreased by only 7bps while lending rates declined by 4bps. Although both deposit and credit growth remains on downward paths, the slowdown in deposit growth was steeper. MoF planned to issue IDR 106Tn of bonds in 2nd quarter 2016. Offshore accounts increased their holding by IDR 18.3Tn in Mar 2016 (+3.11% MoM), from IDR 587.78Tn as of Feb 2016 to IDR 606.08Tn as of Mar 2016, which brought their holding to 38.48% of total outstanding tradable government bond (from 38.98% in the previous month). The 5Y yield Mar 2016 was lower by -55bps to 7.41% (7.96% in Feb 2016), 10Y tenor lower by -55bps to 7.70% (8.25% in Feb 2016), 15Y tenor lower by -44bps to 8.18% (8.62% in Feb 2016) and 20Y tenor lower by -47bps to 8.18% (8.65% in Feb 2016).

The JII (Jakarta Islamic Index) closed higher in March at 652.68, gaining +1.69% MoM. Large cap stocks such as ASII, TLKM, KLBFI, AALI, and MIKA contributed to the MoM gain, all of which rose by +6.62%, +2.31%, +11.15%, +22.56%, and +12.79% MoM respectively. Government has launched initiatives to improve consumer purchasing power by lowering fuel price by 9-10% as well as another 25bps rate cut by BI in mid-March 2016 on the monetary side. The recent fiscal and monetary initiatives have had positive impact towards economic activities especially within the mid-to-low segments. Certain industry indicators such as low-end ceramic demand, retail sales, and housing priced below IDR 400mn/unit posted double digit growth. However the middle and middle-up segments sentiments have yet to improve as the tax office are still being aggressive to find potential additional tax revenue from these segments. If this continues, then consumption growth might be impeded and could potentially impact to the company's earnings in the next 3-6 months. We are cautious that any equity rallies which isn't supported by earnings performance will not sustain in the long run. Earnings disappointment is a big risk as weak 1Q16 results could appear in late April 2016. Sector wise, the Agriculture Sector was the best performing sector this month, gaining by +12.29% MoM. AALI (Astra Agro Lestari) and LSIP (London Sumatera) were the movers; appreciating by +22.56% and +27.27% MoM respectively. This was followed by the Mining Sector that posted +7.28% MoM gains, driven by INCO (Vale Indonesia) and ADRO (Adaro Energy) which rose +14.01% and +6.61% MoM respectively. On the other side, Consumer Sector was the worst performing sector this month, falling by -3.95% MoM. ICBP (Indofood CBP) and UNVR (Unilever) were the laggards, falling -3.49% and -3.59% MoM respectively.

#### Disclaimer:

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